



DEEPWATER HORIZON RESPONSE AND RECOVERY WORKGROUPS

ACTIVITIES BY WEEK

AUGUST 9 – 13, 2010

Workgroup 1 – Response to current disaster and preparation for future disasters

- a. Contact Louisiana's state spill response coordinator to discuss that state's response laws and protocol and identify differences in the way Louisiana coordinates its spill response with the federal government and local government under the National Contingency Plan. Prior to the discussion, review the oil spill response laws and response plans of Louisiana and identify the differences with Florida's approach.
- b. To the extent time allows, conduct conference calls with oil spill response officials in other Gulf states to discuss their response laws and protocol.

Summary of Week 3 Activities:

On Monday, August 9, 2010, Representative Gary Aubuchon and members of Workgroup 1 (Representatives Trudi Williams, Leonard Bembry, Oscar Braynon, and Ken Roberson) traveled to Baton Rouge, LA, to discuss oil response issues with members of the Louisiana Oil Spill Coordinator's Office (LOSCO), representatives from the Louisiana Governor's Office, and state agency designees for oil spill response, at the Department of Public Safety & Corrections in Baton Rouge, Louisiana.

In attendance for LOSCO:

- Karolien Debusschere, Deputy Oil Spill Coordinator
- Stephanie Morris, Legal Counsel, Oil Spill Coordinator's Office
- Kristy Nichols, Deputy Chief of Staff, Office of the Governor
- Michael Dailey, Senior Policy Advisor, Department of Children & Family Services
- Kyle Graham, Deputy Director for Planning and Programs Coastal Activities
- Colonel Michael D. Edmonson, Superintendent, Louisiana State Police and Deputy Secretary, Department of Public Safety & Corrections
- Frank Blackburn, Assistant Secretary and General Counsel, Department of Public Safety & Corrections

The discussion highlighted two challenges Louisiana has dealt with while the Deepwater Horizon incident continues to unfold: command structure and the claims approval process. Additional information about these challenges may be found in the summary of the meeting, which is posted on the [workgroup's resource page](#).

Workgroup 2 - Assess programs and resources to meet immediate needs of impacted areas

- a. Meet with impacted businesses and individuals in Panhandle, if possible, and evaluate responses and resources deployed to those affected parties.
- b. Conduct conference calls with Visit Florida, Inc., and local organizations which received funding for tourism response. Evaluate the use and deployment of BP funds and the use and deployment of current budget in the tourism response.

Summary of Week 3 Activities:

State agency appropriations expenditures related to the oil spill were updated and posted on the [workgroup's resource page](#). The workgroup also organized six conference calls with various entities. In addition, workgroup staff interviewed approximately 70 panhandle businesses in industries that may have been impacted by the oil spill and is currently compiling those responses.

Workgroup staff also learned from Visit Florida's contractor that the occupancy rate in April for the Florida Panhandle was 55.2%, up from last year's 52.2%. In March, the comparable figures were 58.2%, compared to last year's 56.1%. In May for the Florida Panhandle occupancy was running about 54.1%, compared to last year's 51.7%. For the state as a whole, the occupancy rate was 57.0%, compared to last year's 54.3%. In June, Visit Florida's contractor indicated that the occupancy rate for the Florida Panhandle was running about 66.3%, compared to last year's 62.7%

Information from each conference call may be found below:

Federal Small Business Administration (SBA)

- Call held Tuesday, August 10, 2010 with Ralph Ross, Deputy District Director, Jay McKenna, and Kathy Cook, both also with the SBA
- What was learned:
 - SBA has provided economic injury loans during the crisis. Usually provides physical injury loans.
 - Loan information-Loans based on repayment ability. Low interest, working capital loans funded out of the federal treasury. Initial payments deferred 11 months. To date-Florida: 46 loans for a total of \$4.6 million issued, 100 declined; Alabama: 34 loans for a total of \$3.9 million issued; Mississippi: 22 loans for a total of \$1.8 million issued; Louisiana: 130 loans for a total of \$9.9 million issued.
 - Loans available in 8 Florida counties through some SBA offices, although not co-located with SBDCs, and usually approved in 18 days. No flexibility

in review of business application criteria even though already in midst of economic recession. Only Congress can change program.

- Fishing and hospitality businesses have applied for loans.
- Areas for follow-up:
 - Consider recommending program changes through Congressional action to provide more flexibility in loan criteria.

Tourist Development Entities

- Call was held Tuesday, August 10, 2010, with Walton County Tourist Development Council (Dawn Moliterno), Pensacola Bay Area Convention and Visitors Bureau (Ed Schroeder), and Santa Rosa Tourist Development Council (Kate Wilkes)
- What was learned:
 - **Walton County reported** that tourism was down 2% in May and down 7% in June as compared to those months last year. July figures aren't available yet but expected to be same as June. This was much better than the 35% decline originally anticipated and was not affected by relief workers since they lodged outside the county.
 - Walton County received 2 BP grants of \$1.35 million each. The round 1 grant was spent on advertising and round 2 on gift cards.
 - Walton County is experiencing significant impact from the offering of a \$250 gift card for local shopping or travel on Southwest airlines if visitors stay 3 nights in their area. This was funded by \$1.3 million in round 2 BP funding. The county reports that the Visitors Center and lodging partners are enthusiastic about the response to this offering.
 - Department of Health (DOH) has posted metal signs at the entrance to 66 beach fronts in the county which warn visitors of possible negative health impacts from the beach. Walton County reported that some visitors leave after reading the signs upon arriving at the beach.
 - **Pensacola reported** that tourism in the county, as compared to the same months last year, in June was down 30% (down 15% lodging, however, this was helped by the lodging of oil spill workers); July is anticipated to be down 30 to 40%; August is anticipated to be down 40 to 50%.
 - Pensacola reported that the round 1 BP funding for advertising is almost complete. Pensacola is using ½ of their round 2 funding (\$1.4 million total for round 2) from BP to provide AMEX gift cards (\$100/night) to visitors with a qualifying 1-2-3 night stay in local lodging. The other ½ of the funding is to be used for a concert by a major national talent (e.g. Beach Boys, Jimmy Buffet) to attract visitors.
 - **Santa Rosa reported** that tourism, as compared to the same months last year, in May was down 10%, June was down 17%, and July was down 31%. August and September are expected to be better because of round 2 funded rent vouchers. It was noted that these are countywide percentages and that the beaches alone are hit harder (e.g. June on beaches is down 31%).

- Round 1 funding was used to advertise and promote to their market. Round 2 funding was used to provide vouchers for lodging rent assistance. The funds will provide ½ of the rent for reservations with minimum of 2 night stay in the county. This program is going well and all funds are expected to be spent.
- Areas for follow-up:
 - Request DOH to provide information on Health Impact signs erected at beach access points in Walton, Escambia and Okaloosa counties.
 - A long-term planning effort is needed to address the “brand damage” which has occurred from the oil spill disaster. The counties would like a longer conversation with BP about sustainability.

Department of Agriculture and Consumer Services, Department of Children & Families, Department of Health

- Call was held Tuesday, August 10, 2010, with staff of the three departments
- What was learned:
 - **Department of Agriculture & Consumer Services (DACS)** has been involved with aquaculture, food safety inspection, and marketing.
 - DACS indicated that, after sampling, it appears that oil had no impact on food safety.
 - DACS is conducting ongoing marketing campaign regarding Florida Safe Seafood
 - **Department of Children & Families (DCF)** has been involved with eligibility determination for public assistance (food stamps, cash assistance and Medicaid services) and mental health crisis counseling.
 - Through August 10, DCF has received 563 requests for public assistance related to the oil spill based on self-reported information (not independently verified).
 - DCF has requested \$4.7 million for crisis counseling services to be paid by BP and has also requested \$334K from BP for additional eligibility determination workers to staff public assistance call centers
 - DCF has provided 75 children in Pensacola area with summer camp experience using stimulus funds and would like reimbursement from BP.
 - **Department of Health (DOH)** has been involved with beach/health advisories on exposure to oil.
 - DOH also reported that through August 6, the Poison Control Center Network provided information to more than 400 residents and health care practitioners regarding toxic exposure.
 - DOH has seen a short-term increase in numbers of patients provided primary care services in affected counties
 - DOH provided health assessments through EMS division for beach workers.
 - DOH has downgraded health advisories to oil impact notices, is working with the University of Florida and Surgeon General to expedite health risk assessments so that beach signage can be removed, and is developing benchmarks for swimming advisories.

- Areas for follow-up:
 - The effects on Florida seafood sales and a breakout of public assistance provided.

Tourist Development Entities:

- Call was held Wednesday, August 11, 2010, with Franklin County Tourist Development Council (Curt Blair) and Gulf County Tourist Development Council (Tim Kerrigan) (Wakulla County and Panama City Beach Convention Bureau were invited but unable to join the call)
- What was learned:
 - **Gulf County reported** that tourism, as compared to the same months last year, is down 15% for the summer months and that future bookings are down 50%.
 - Gulf County received 2 rounds of BP funding and spent the first round on advertising and marketing. This also included updates to internet sites and live webcams.
 - Round 2 funds from BP are going to be used for possible area concerts, insurance policy (prize) on tagged fish in conjunction with the Fish and Wildlife Commission, voucher programs for return stay visitors and gift cards to use with local businesses. Concern was expressed that the time allotted to implement round 2 funds may be insufficient as it takes more time than 30 days to plan and advertise events such as concerts.
 - **Franklin County reported** that June and July lodging was strong. This partly due to BP workers in their county. August information is not available yet and expect September and October to be weaker than previous year.
 - BP funding from rounds 1 and 2 have had a positive effect for the county, but reported that funds would be better targeted to tourism infrastructure rather than impulse response.
- Areas for follow-up:
 - Review the possibility of an email data base of people who have previously visited and lodged in N.W. Florida counties which could be used to send a common message in promotions of tourism for these counties and/or a mailer coupon to visitors from past years.

Pensacola Business Leaders

- Call was held Wednesday, August 11, 2010, with Buzz Ritchie, President of Gulf Coast Community Bank and former Majority Leader for the House of Representatives; Garrett Walton, Heron's Forest Development Company/L&R, L.L.C. and the Florida Transportation Commission; and Collier Merrill, Great Southern Restaurant Group and Merrill Land Company
- What was learned:
 - Impact on industries - Charter fishing has suffered greatly and banking industry is cause for concern through a ripple effect of impact related to tourism. One of the larger employers is BP and BP will be leaving soon which may have a negative effect on employment. Realtors complained

that the media has caused a false perception of the condition of the northwest Florida coastline. The real estate agents are experiencing cancelled contracts and believe property values are declining in addition to the economic decline.

- Northwest Florida tourism is a summertime industry and most small businesses support themselves from the summer months of June, July, and August. The reality of the oil spill was not a perception issue in these areas, oil was on the beaches. The negative media coverage has hurt businesses and there may be no chance to recover this season.
- Assistance-State emergency bridge loan program helped area businesses stay viable. Every bank was aggressive in notifying businesses of the bridge loan opportunity. The Small Business Development Center at the University of West Florida also assisted small businesses in filling out BP claims. The Florida Institute of CPAs was recruited to give assistance to small businesses with the complexity of issues in the claims process.
- Federal response-There is a continued need for the federal government to keep BP in the area to clean beaches and monitor the environmental issues.
- State response-The state allocated funds from BP for positive marketing through the Tourism Development Councils (TDCs). The TDCs from seven counties were able to create a formula to share funds. The Department of Children and Families partnered with Lutheran Services to help children hearing about the disaster. There is concern about an increased need and costs for social services in the areas of food stamps and counseling.
- Areas for follow-up:
 - The legislature could prompt BP to take care of claims from cities and counties. Property values and sales continue to be an issue.

Visit Florida, Inc. and Panama City Beach Convention & Visitors Bureau

- Call was held Thursday, August 12, 2010, with Visit Florida, Inc., Chris Thompson, CEO, and Dia Kuykendall, Public Affairs Manager, and Panama City Beach Convention & Visitors Bureau, Dan Rowe, executive director
- What was learned:
 - **Visit Florida** stated that addressing perception and separating perception from reality in regards to the oil spill was their priority issue.
 - Visit Florida board released \$2 million from their Emergency Risk Fund to begin addressing the marketing issues from the oil spill. Advertising on TV, radio and newspapers began. Visit Florida later received \$7.15 million from round 1 of BP funding. Additional advertising on radio and national cable channels was continued and inquiries were directed to Visit Florida's website for real time updates. \$4.2 million was received from the second release of the BP funds. Visit Florida partnered with Florida Fish & Wildlife since seafood and fishing were areas that were also affected. Advertising with the travel trade was conducted giving

geography lessons and promoting the real time information on the website. Visits to the website increased 50% in June.

- Visit Florida has not filed a claim with BP for the \$2 million spent from the Emergency Risk Fund, which may qualify as a reimbursable claim.
- Marketing next spring, 2011, is now the focus.
- **Panama City Beach reported** that since Panama City Beach is a summer destination for youth amateur sporting events, these events helped to mitigate some of the potential losses in tourism since these events went on in spite of the oil spill.
- Innovative promotional strategies included digital bill boards in the Southeast which had daily pictures of the beaches uploaded. Shifted to an event driven summer – the summer of fun, and created new events and marketed them in a short period of time.
- The first round of funds from BP to Panama City Beach was \$2.2 million and the second round was \$1.4 million. The funding was not used for lodging vouchers, since people might limit their spending in other areas. Instead, AMEX gift cards were provided as the incentive for tourism.
- Areas for follow-up:
 - Because funding had to be used in a short time, it may not be the most effective use of funds. It was suggested that more strategic near-term and mid-term funds would be more beneficial

Workgroup 3 - Review the scope of private sector damages and processes for compensation

- a. Review other relevant state laws relating to claims for pollutant related damages.
- b. Determine the differences with Florida's approach and the Federal approach.
- c. Conduct conference calls with interested parties.
- d. Monitor the transition of the BP claims process to the independent administrator.
- e. Visit claims offices and persons participating in the independent claims process.

Summary of Week 3 Activities:

Continued legal review of Florida law as well as laws in other states. Work group members traveled to Pensacola on August 10, 2010, to meet with Liz Castro, Director, Civic Affairs for BP as well as other representatives from BP regarding the claims process. BP representatives described the process, provided summary claims information relating to Florida, and agreed to follow up to provide additional details regarding private claims. Further, members attended a town hall meeting where Sen. Bill Nelson and Ken Feinberg, administrator of the Gulf Coast Claims Facility, spoke and responded to questions. A link to an excerpt of opening remarks by Ken Feinberg at the August 10, 2010 Public Forum, sponsored by the University of West Florida and the Pensacola Bay Area Chamber of Commerce, is available on the [workgroup's resource page](#).

- The Gulf Coast Claims Facility (GCCF) will take over the private claims process on August 23, 2010

- GCCF is not a government or BP program – both the program and Feinberg are independent
- Fund will include \$20 billion paid by BP over a 4 year period; however, this is not a floor or ceiling
- Use of the GCCF is strictly voluntary; claimants may choose to go directly to BP or court
- In Feinberg's opinion, the GCCF will be quicker, more generous and more efficient than any other remedy under federal or state law
- All claims offices will remain open, at least initially
 - Claims may also be filed and tracked online via the GCCF website; intent is one-stop process
- Over the next 90 days (through Thanksgiving), emergency payments for up to 6 months income loss will be available, without waiving any rights to future claims
 - Payments to individuals will be made within 24 hours
 - Payments to businesses will be made within one week
- After 90 days, lump sum payments for current and future losses may be requested, however payment of such claim will require waiving rights to future claims or litigation against BP
- Documentation or proof of loss will be required for all claims, although it appears there will be flexibility in documents that will be acceptable (tax returns, contracts, bookings, profit/loss statements)
 - Neutral experts will help guide Feinberg in assessing damage
 - Will use uniform standards for all business damage claims
 - Will use least stringent law of the five affected states to define compensation for death or physical injury claims
- Deadline for final claims through the GCCF is August 23, 2013
- Pro bono legal assistance for claimants will be provided through the facility
- Claims information will remain private and confidential; summarized data will be provided to federal and state agencies as necessary
- Eligibility considerations:
 - Proximity to the Gulf
 - Type of industry
 - Dependence on natural resources of the Gulf
 - Actual physical damage to property or business is not required
 - Tourism related businesses are eligible – perception of oil on beach will be considered
 - In Feinberg's opinion, realtors/brokers do not have an eligible claim; however, Feinberg will set aside a certain amount for realtors/brokers to help them get through the emergency (details not yet available)
 - Diminishing property value is not an eligible claim unless a contract for sale of such property fell through as a result of the spill
 - Commercial bank losses are not eligible

Members also met with Buck Lee, Executive Director, Santa Rosa Island Authority, Greg Brown, Santa Rosa County Property Appraiser, and Chris Jones, Escambia County Property Appraiser, to discuss the claims process and other concerns related

to the oil spill. Both property appraisers expressed concern that the oil spill had negatively impacted property values in their counties. They are working to try and assess the impact, and requested the Legislature explore options to provide relief to property owners, including a property tax rebate similar to what has been done in the past for natural disasters. Mr. Lee discussed the impact of the spill on Pensacola beach businesses and tourism, as well as the monitoring and cleanup effort. Mr. Lee hosted a short tour of the Pensacola beach area for the work group members.

A meeting was scheduled and travel plans were made for group members on August 17, 2010, to attend another town hall meeting in Pensacola and to meet with Ken Feinberg to further discuss the claims process.

Please see Scheduled Events on the [House's Deepwater Horizon Response and Recovery Web site](#) and the [workgroup's resource page](#) for additional information.

Workgroup 4 - Develop strategies for public sector recovery of damages

- a. Continue to receive and evaluate information from affected parties.
- b. Identify steps and activities that must take place in order for governments to receive full compensation for the different types of damages recognized in federal and state law.
- c. Evaluate sufficiency of data collection efforts to ensure full compensation.

Summary of Week 3 Activities:

The Workgroup held a conference call on August 9th, wherein Representative Hudson and staff updated members on activities to date and members and other participants were asked for input. Representative Hudson announced that the next meeting/conference call would be on the morning of August 20th to receive information from affected governments. During the week, staff sent out a questionnaire to counties, cities, school boards and special districts requesting information regarding claims activity, and continued to research the law applicable to government claims. A copy of the questionnaire may be found on the [workgroup's resource page](#)

Workgroup 5 - Identify regional long-term economic recovery opportunities

- a. Conduct roundtable meetings in the panhandle to lay out possible long-term economic opportunities for the region that can be accomplished without state resources or that can be accomplished through minimal state resources with suggested offsetting savings.
- b. Identify federal, state and local opportunities. Consider whether each opportunity will have a short or long-term impact, the financial costs associated with the opportunity, and the potential impact on the total economy. Propose offsetting savings for opportunities which impact state resources.
- c. Identify whether current state or local programs could be utilized or reprioritized for economic recovery.
- d. Continue regional economic advantages & weaknesses. Consider advantages and weaknesses based on common site selection factors. Contact economic development groups, planning councils, chambers and local governments, and other groups as necessary

to identify advantages and weaknesses from economic reports, stakeholders and other parties.

Summary of Week 3 Activities:

- Cancelled roundtable meetings in order to coordinate with federal meetings scheduled for the weeks of August 16 and August 23 to be conducted by the Economic Solutions Team within the National Incident Command. Contacted the six counties hosting these meeting to gather relevant information and schedules – including Bay, Santa Rosa, Walton, Okaloosa, Escambia, and Gulf counties.
- Followed up on information and phone calls with Enterprise Florida, Inc, and other local chambers and economic development councils.
- Met with a representative from the Florida Board of Governors on two issues: 1) identifying historical long-term effects of oil spills on industries; and 2) identifying the strengths of the universities and community colleges in the region that may promote long-term economic recovery.
- Continued research on economic advantages and weaknesses.
- Continued research on ideas that have been discussed or mentioned that may help with long-term economic recovery.

Workgroup 6 - Examine adequacy of criminal and civil penalties to address offenses causing or arising out of environmental disasters

- a. August 9th - Organizational/Informational Meeting/Conference Call, 10:00 am – 3:00 pm, 404 HOB (Conference call number 888-808-6959 – Code 4883088)
 - i. Provide the workgroup with a comprehensive overview of Florida's current criminal laws and civil penalties that relate to the current environmental disaster, as well as an overview of federal and other state laws.
 - ii. Roundtable discussion with legislative staff, Attorney General personnel, Office of Statewide Prosecution staff, State Attorneys, personnel from various state agencies, and other stakeholders regarding the adequacy of the criminal and civil penalties of offenses that caused or may arise out of the current environmental disaster.
 - iii. Discuss initial ideas as to what should be done to ensure that the criminal and civil penalties are adequate.
- b. Based on the information gathered and the input from the participants of the August 9th meeting, begin identifying options for legislative action, including drafting legislation and/or other recommendations.

Summary of Week 3 Activities:

Workgroup met with representatives from the Florida Department of Environmental Protection (DEP), the Florida Fish and Wildlife Conservation Commission (FWC), the Office of the Attorney General, the Office of Statewide Prosecution (OSP), and assistant state attorneys from the 1st and 11th Judicial Circuits on August 9th. In addition, prepared a brief on the jurisdiction of the Office of Statewide Prosecution and whether such jurisdiction should be expanded to include environmental crimes.

A summary of the meeting and a copy of the brief may be found on the [workgroup's resource page](#).

Researched and began drafting a report on the following issues in preparation for the August 23rd conference call:

- Whether the jurisdiction of the OSP should be expanded. If so, in what way (e.g., should it be expanded to include all environmental crime or only specific environmental crimes, could the OSP be authorized to prosecute crimes that occur only in one jurisdiction, etc). Would expanded jurisdiction apply retroactively?
- Whether the statute of limitations for fraud-related crimes needs to be extended.
- Whether enhanced penalties should apply to crimes committed during a state of emergency.
- Whether there is a need for a new criminal offense that would address instances in which persons steal stockpiled emergency materials.
- How the state could better train its law enforcement officers to recognize and investigate environmental crimes (e.g., modify the Law Enforcement Officer Basic Recruit curriculum to include environmental crime training).
- Whether pollution offenses should/could be strict liability offenses.
- Whether the penalties for *willfully* polluting and polluting due to *reckless indifference or gross careless disregard* should be the same (they are currently different).
- Whether there should be a distinction between commercial polluters v. private/recreational polluters for purposes of assessing penalties.
- Whether the current civil penalties should be updated to reflect the current economy.
- Whether the current civil penalties should be assessed based on volume of pollutants discharged or amount of damage caused